

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Municipal Administration and Urban Development Department.- Andhra Pradesh Urban Finance Infrastructure Development Corporation (APUFIDC) Limited – Development of Energy Efficient Street Lighting through Performance Contracting in Urban Local Bodies in Andhra Pradesh under Public Private Partnership (PPP) Mode - Permission accorded – Orders - issued

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (R) DEPARTMENT

G.O. Rt. No. 646

Dated :01.05.2013  
Read the following

1. APUFIDC ,Lr.No 8916/APUFIDC/PPP/Corres/08, dtd. 9.11.2011.
2. Lr. No.9715/APUFIDC/PPP/Street Lightning/08,Dtd.11.01.2012
- 3 .Govt.Memo No.29405/R/2011.dtd..02.05.2012
- 4 .Lr. ROC. No. 9715/APUFIDC/PPP/STL/08,Dtd.16.06.2012.
5. Govt.Memo No.23487/Budget.1/2012, dated 11.10.2012.
6. Lr. ROC. No. 9715/APUFIDC/PPP/STL/08,dtd. 22.02.1013.

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**ORDER**

In the references 1<sup>st</sup>, 2<sup>nd</sup> 4<sup>th</sup> and 6<sup>th</sup> read above, the Managing Director, APUFIDC has reported that the APUFIDC, as the State Level Nodal Agency, which is assisting and guiding the Urban Local Bodies for the provision and maintenance of Infrastructure under the various Schemes of the Central and State Government has proposed Energy Saving Street Lighting (Project)initially in 50 Urban Local Bodies. M/s Price Water House Coopers has been selected as the Transaction Advisor (TA) from out of the list of the Transaction Advisors empanelled by the Department of Economic Affairs, Government of India. The Terms of Reference provide for preparation of Feasibility Reports and undertaking Bid Process Management. Government of India has approved the proposal to take up the Project under PPP Mode and for sanction of the Transaction Advisors Fee and released part amount of the fee. The proposal is mainly for the following basic objectives and advantages of the proposed project are:

**Objectives:**

- a) By adopting modern technology, the power consumption is reduced.
- b) The selected bidder will replace all the existing conventional luminaries with energy efficient luminaries at his own cost and expense.
- c) The selected bidder will be responsible for operation and maintenance of the project during the concession period with his own cost and expense.
- d) Of the saved energy, certain percentage is offered to the Urban Local Body.
- e) During the concession period, the fixtures and lamps will be the property of Urban Local Body.
- f) Appropriate training is given to Urban Local Body nominated personnel in the O&M.
- g) In case of any default of the selected bidder, the Urban Local Body will have the right to terminate the Agreement and take over O&M of the Project.

**Advantages:**

- a) The energy consumption is reduced /saved.
- b) The power bill is also reduced.
- c) Of the saved amount due to energy saving, the payment to the selected bidder to meet his investment/ capital cost and O&M cost is paid.
- d) There will be saving in the power bill in monetary terms to the URBAN LOCAL BODY.
- e) The selected bidder will be responsible for O&M during the entire concession period.

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- f) For the purpose of payment to the selected bidder, the base year 2010-11 power consumption is the criteria. Any increase in the power tariff in the subsequent years of the concession period will have no impact on the payment to be made to the selected bidder.
- g) Finally, most important, there will be energy saving which is of state and national importance and is in consonance with the policies of the Government of India and Government of Andhra Pradesh.

2. The Managing Director, APUFIDC Limited, has further reported that as per Sections 43, 44 and 45 of the Andhra Pradesh Municipalities Act 1965 and Sections 124,125,126 and 129 of the Municipal Corporation Act 1994, approval of the Government is required for entering into the Agreements, and also as per the provisions of the Bid Document as evaluated by a Technical Committee APUFIDC will select the Bidders with the Assistance of Transaction Advisors. Accordingly the Managing Director, APUFIDC has submitted proposals to Government for permitting Urban Local Bodies to undertake Energy saving Street Lighting in place of existing system under PPP Mode.

3. Government of Andhra Pradesh, in the ref.3<sup>rd</sup> read above, have permitted APUFIDC for re-bidding of Street Lighting Project in 34 Urban Local Bodies under PPP Mode(Public Private Partnership).with the following change in the RFP document.

**“Baseline for computing the energy consumption of the URBAN LOCAL BODY shall be based upon the theoretical consumption of all the luminaries present in the URBAN LOCAL BODY on the date of agreement”**

4. Further the APUFIDC initiated Street Lighting in 50 Urban Local Bodies APUFIDC appointed M/s Price water House Coopers (PWC) as Transaction Advisor for the preparation of Feasibility Report and for the Bid Process Management. 34 Urban Local Bodies submitted their Council Resolutions for the Project and therefore Bid Process was initiated for 34 Urban Local Bodies only. The process of re-bidding is in an advanced status. He has therefore requested to consider the following and issue appropriate orders on this to facilitate the awarding the execution of contract with the successful Bidder.

- i. Permitting the Urban Local Bodies to undertake Energy Saving Street Lighting in place of existing system under PPP mode.
- ii. To make the payments to the selected operator during the concession period from out of savings accrued due to energy saved..
- iii. To enter into concession agreement with the operator and the escrow agreement with the selected banker and Operator.

5. Government, after detailed examination of the proposal of the Managing Director, APUFIDC Ltd., hereby consider and agree for permitting the Urban Local Bodies to undertake energy saving Street Lighting in place of existing system under PPP Mode only, subject to following Guidelines given in Draft PPP Rules, 2012, while developing the PPP Project.

6. The Managing Director, APUFIDC Limited, Hyderabad shall take further action accordingly, thereafter, come with a specific proposal to Government if any, further orders are requested in respect of other proposals.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.SAM BOB  
PRINCIPAL SECRETARY TO GOVERNMENT (MA) (I/c)

To  
The Managing Director, APUFIDC Limited, Hyderabad.

//FORWARDED BY ORDER//

SECTION OFFICER